



State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Agency of Administration

MEMORANDUM

TO: Commissioner, Deputy Commissioner, General Counsel,
Division Directors, Policy Analysts and Staff Attorneys

FROM: Pam James, Admin. Services Manager II *Pam James*

DATE: October 15, 2010

SUBJECT: 2011 Interest Rate

The average prime loan rate charged by banks (as determined by the Board of Governors of the Federal Reserve System) for the 12-month period beginning October 1, 2009 and ending September 30, 2010 was 3.25%. Rounded up to the nearest whole percent, the annual rate for 2011 would be 4.0%. When converted to a monthly rate, as required for computer purposes, the result is 0.33% per month.

The law allows us to round this monthly rate up to the nearest whole tenth of a percent, giving us a rate of 0.4% per month. Therefore, the **2010 interest rate** established by the Commissioner, as required in 32 V.S.A. §3108(a), is **0.4% per month or an annual rate of 4.8%**.

Tax bills prepared on January 1, 2011 and thereafter for calendar year 2011 should bear an annual interest rate of 4.8% or a monthly rate of 0.4%.

10/15/10
Date

APPROVED: *Ellen Tofferi*
Ellen Tofferi
Acting Commissioner of Taxes

